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C O N F I D E N T I A L SECTION 01 OF 05 STATE 038608

SIPDIS

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TAGS: [PARM](#) [UNSC](#) [KN](#) [LY](#) [KNNP](#)
SUBJECT: DPRK: URGENT DEMARCHE TO LIBYA ON 1718 SANCTIONS

REF: USUN 401

Classified By: NEA ACTING DAS WILLIAM HUDSON, reasons 1.4 (b) and (d)

¶1. (U) This is an action request.

¶2. (C) The objectives of this demarche are to:

-- Encourage Libya to work together with us to gain agreement on

U.S.-proposed designations in the DPRK Sanctions Committee ("1718 Committee") of entities and goods tied to the DPRK's proscribed WMD and missile-related activities in order to meet the April 24 Presidential Statement (PRST) deadline and keep this matter from returning to the full Security Council for action;

-- Urge Libya to respond no later than Monday, April 20 with comments on the U.S. proposal.

¶3. (U) BACKGROUND: On April 13, the Security Council adopted a Presidential Statement (PRST) that condemned the April 5 launch by the Democratic People's Republic of Korea (DPRK) and tasked the Security Council's DPRK Sanctions Committee to "adjust" pre-existing sanctions by April 24 through the designation of entities and goods. (NOTE: Per UNSCR 1718, the DPRK Sanctions Committee may freeze the assets of designated entities linked to the DPRK's proscribed WMD and missile program, as well as identify specific technical goods banned from transfer to or from the DPRK. END NOTE). During those negotiations, Russian officials, joining the Chinese, committed not to block any sanctions designation. The United States, France and UK made clear that our support for the PRST in lieu of a resolution was predicated on the Russian and Chinese political commitment to allow designations in the Committee, thereby ensuring there were real consequences for the DPRK's provocative missile launch.

¶4. (C) BACKGROUND (STATE OF PLAY): USUN formally submitted a list of entities and goods to the Sanctions Committee on April 14 (designation package at para 6). The 1718 Sanction Committee met for a first time on April 14. At that meeting, the Libyan delegate, referencing his own country's experience with sanctions, generally does not favor sanctions, especially when they affect the citizens of a country.

¶5. (C) POST MAY DRAW UPON THE TALKING POINTS BELOW:

-- The United States appreciated Libya's efforts to support the adoption of a UN Security Council Presidential Statement (PRST) condemning the DPRK's April 5 launch. The clear and united statement criticizing the launch expressed the will of the international community. Our successful negotiation

demonstrated the effectiveness of close multilateral cooperation. We hope we can continue working together in that spirit.

-- The US Mission in New York has shared with the Libyan delegation information about what kind of designations we intended to seek, including:

 A) New technical items that could be used to support the DPRK's WMD and ballistic missile-related programs and associated proliferation activities;

 B) Replacing S-2006-815 with the current Missile Technology Control Regime (MTCR) Equipment, Software and Technology Annex.

 C) Eleven entities that have been tied to the DPRK's WMD and ballistic missile-related proliferation activities.

-- On April 14, the United States formally submitted a request to designate these items and goods to the DPRK Sanctions Committee, along with information justifying their designation.

-- We understand the concern expressed by the Libyan delegation about the potential for adverse humanitarian impact of sanction on the people of the DPRK. We share those concerns. In the Security Council, the U.S. favors targeted sanctions rather than sanctions that effect a

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country's people across the board. You will note that each of the entities and goods we have proposed be listed is specifically targeted for its links to the DPRK's ballistic missile or WMD programs, and would have an effect on those programs, rather than on the plight of the people of the DPRK. This is very different from the kind of sanctions regime that once was in effect with respect to Libya.

-- We have also heard the concern expressed by some delegations in New York that some of the goods we have proposed for designation have civilian uses as well as one related to the DPRK's ballistic missile program.

-- As you are aware, many goods that have civilian applications, including those that are controlled by multilateral export control regimes, can also be used in military applications. We have proposed a list of additional goods because, although not controlled, these items could still be used to advance the DPRK's ballistic missile development efforts.

-- This is a political issue - not a technical issue. The proposed targets should already be familiar to your experts.

-- Because of the tight timeframe specified in the Security Council's PRST on the DPRK, we would like to know by Monday, April 20 whether you anticipate significant objections to this approach.

-- As you know, the Security Council has resolved to vote on proposed designations by April 30 in the event the Committee is unable to designate entities and items by April 24.

-- The Security Council's adoption of the April 13 PRST was the product of the cooperation of all members of the Security Council on an important issue of international security. We hope we can continue working together in that spirit. We hope this issue can be resolved expeditiously in Committee and that it does not come back to the Council, as this would send an incorrect and unfortunate signal to North Korea about international resolve.

-- (IF ASKED ABOUT THE FUTURE OF THE SIX-PARTY TALKS) As called for in the PRST, North Korea should engage through the Six-Party Talks process to fulfill its commitments in the September 2005 Joint Statement. The DPRK's decision to suspend disablement and expel U.S. and IAEA monitors is a step in the wrong direction. This move strikes at the core aim of the Six-Party Process, which is denuclearization. The United States remains committed to the Six-Party Talks process and wants to consolidate the important progress we have made so far. We need to maintain a united approach among Six-Party partners, and we want to continue close consultations.

16. (SBU) TEXT OF U.S. PROPOSAL TO 1718 COMMITTEE:

April 14, 2009

Dear Ambassador:

In line with the Security Council's Presidential Statement (PRST/2009/7) of April 13, 2009, the United States Mission would like to propose to the Committee established pursuant to resolution 1718 (2006) the designation of additional entities and goods pursuant to paragraph 8 of resolution 1718 (2006).

The United States has identified items, materials, equipment, goods and technology (attachment 1) that should be specified for the purpose of paragraph 8(a)(ii) of resolution 1718 (2006). We have included information specifying why these items "could contribute to DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programs." All of this information is publicly releasable.

The United States has also identified entities (attachment 2) that should be subject to the measures imposed by paragraph 8(d) of resolution 1718 (2006). We have included information specifying why these entities meet the criteria of "being engaged in or providing support for, including through other illicit means, DPRK's nuclear-related, other weapons of mass destruction-related and ballistic missile-related programs, or by persons or entities acting on their behalf or at their direction."

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All of this information is publicly releasable.

The United States requests that the Committee established pursuant to resolution 1718 (2006) consider these proposals on a priority basis in order to meet the April 24 deadline requested by the Security Council. We suggest that the Committee discuss this list at its next meeting, including ways to amend or include additional information about these goods and entities.

Please accept, Excellency, the assurances of my highest consideration.

Sincerely,

Susan E. Rice
Ambassador

Attachment: As stated.

His Excellency
Baki Ilkin,
Chairman of the Committee established pursuant to
resolution 1718 (2006),
New York, NY 10017.

Cc: Ms. Loraine Rickard-Martin,
UN Security Council Subsidiary Organs Branch,
United Nations.

ATTACHMENT 1:

Proposed Items that should be specified for the purpose of paragraph 8(a)(i) of resolution 1718 (2006).

PART A:

-- Resolution 1718 banned the transfer of items described in the document S/2006/815.

-- The United States proposes circulating a new document of the Council, which will include additions and updates to this original list.

-- At the first meeting of the Committee, the United States will explain the nature of this subsequent document.

PART B:

-- The United States further proposes adding the additional items as described below.

-- The acquisition of these items is especially critical for states like the DPRK that are attempting to advance their ballistic missile capability.

—"Nitrogen stabilized duplex stainless steel (N-DSS) having all of the following characteristics:

a) containing at least 18 percent by weight chromium and 4.5-8.0 percent by weight nickel;

b) a ferritic-austenitic microstructure (also referred to as a two-phase microstructure) of which at least 10 percent is austenite by volume (according to ASTM E-1181-87 or national equivalents); and

c) having any of the following forms:

i. ingots or bars having a size of 100 mm or more in each dimension;

ii. sheets having a width of 600 mm or more and a thickness of 5 mm or less; or

iii. tubes having an outer dimension of 600 mm or more and a wall thickness of 5 mm or less."

Nitrogen stabilized duplex stainless steels very nearly replicate the material strength requirements of titanium stabilized duplex stainless steel, which is MTCR controlled. This specialized steel is particularly useful in liquid propellant missile applications given its high strength, ease of welding and resistance to corrosive liquid propellant oxidizers such as inhibited red fuming nitric acid (IRFNA).

—"Graphite designed or specified for use in EDM machines." Electrical discharge machining (EDM) graphite has the ability to significantly contribute to ballistic missile programs by virtue of its use in EDM machines producing complex and highly precise cuts such as required for liquid rocket engine components. This level of machining is not required in the manufacture of farming

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equipment, civilian construction projects, or in various heavy industries not related to the production of ballistic missiles.

—"5 mm or thinner stainless steel sheets." Stainless steel in thin sheet form is highly sought after by some ballistic missile programs of concern for rocket motor casings and pressure vessels.

—"Para-aramid fiber (Kevlar and other Kevlar-like), filament and tape." Para-aramid fibers such as Kevlar and other Kevlar-like filaments and tapes are usable in the fabrication of solid propellant rocket motor cases, rocket

motor nozzles and nozzle extensions, propellant tanks, nose tips, and missile airframe and warhead structures.

- "Austenitic stainless steel." Certain austenitic steel alloys possess the strength and corrosion resistance to be employed in many liquid missile applications including propellant tanks and missile interstages.

- "Aerospace-grade aluminum in bar and sheet form." Aerospace grade aluminum alloys with high strength and corrosion resistance are useful in liquid ballistic missile structures and airframes.

- "Fine-grain spherical aluminum powder (500 micron and below, with purity equal to or greater than 75 percent)." Aluminum powder is used as a fuel substance in solid rocket motor propellant formulations. The use of spherical aluminum powder allows higher aluminum loading, with a corresponding increase in propellant performance.

ATTACHMENT 2:

Proposed entities that should be subject to the measures imposed by paragraph 8(d) of resolution 1718 (2006).

The following entities are engaged in or providing support for, including through other illicit means, the DPRK's nuclear-related, other weapons of mass destruction-related and ballistic missile-related programs, or are persons or entities acting on their behalf or at their direction:

1) KOREA MINING DEVELOPMENT TRADING CORPORATION (a.k.a. CHANGGWANG SINYONG CORPORATION; a.k.a. EXTERNAL TECHNOLOGY GENERAL CORPORATION; a.k.a. DPRKN MINING DEVELOPMENT TRADING CORPORATION; a.k.a. &KOMID8). Central District, Pyongyang, DPRK. The Korea Mining Development Trading Corporation (KOMID) is the DPRK's primary arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons. KOMID offices are located in multiple countries and facilitate weapons sales while seeking new customers for its weapons.

2) KOREA RYONBONG GENERAL CORPORATION (a.k.a. KOREA YONBONG GENERAL CORPORATION; f.k.a. LYONGAKSAN GENERAL TRADING CORPORATION, Pot, ongang District, Pyongyang, DPRK; Rakwon-dong, Pothonggang District, Pyongyang, DPRK). The DPRK defense conglomerate Korea Ryonbong General Corporation specializes in acquisition for DPRK defense industries and support to that country's military-related sales. An English-language DPRK trade journal (Foreign Trade of the DPRK), has carried advertisements from International Chemical, a subsidiary of Korea Ryonbong General Corporation, offering ammonium diuranate (ADU), a processed form of yellowcake, for sale on the international market.

3) TANCHON COMMERCIAL BANK, f.k.a. CHANGGWANG CREDIT BANK; f.k.a., KOREA CHANGGWANG CREDIT BANK. Saemul 1-Dong Pyongchon District, Pyongyang, DPRK. Tanchon Commercial Bank, headquartered in Pyongyang, inherited from the Korea Changgwang Credit Bank Corporation (KCCBC) the role as the main DPRK financial agent for sales of conventional arms, ballistic missiles, and good related to the assembly and manufacture of such weapons. Since the late 1980s, Tanchon's predecessor, KCCBC, collected revenue from weapons-related sales that were concentrated in a handful of countries mainly located in the Mid-East and several African states. These revenues provide DPRK with a significant portion of its export earnings and financially aid DPRK's own development of nuclear-related, other weapons of mass destruction-related and ballistic missile-related programs and arms-related purchases.

4) HESONG TRADING CORPORATION. Pyongyang, DPRK. Korea Mining Development Corporation (KOMID) is the parent company of Hesong Trading Corporation.

5) KOREA COMPLEX EQUIPMENT IMPORT CORPORATION.
Rakwon-dong, Pothonggang District, Pyongyang, DPRK. Korea
Ryonbong General Corporation is the parent company of
Korea Complex Equipment Import Corporation.

6) KOREA INTERNATIONAL CHEMICAL JOINT VENTURE
COMPANY. a.k.a. CHOSON INTERNATIONAL CHEMICALS JOINT
OPERATION COMPANY; a.k.a. CHOSUN INTERNATIONAL CHEMICALS
JOINT OPERATION COMPANY; a.k.a. INTERNATIONAL CHEMICAL
JOINT VENTURE CORPORATION. Hamhung, South Hamgyong
Province, DPRK; Man gyongdae-kuyok, Pyongyang, DPRK;
Mangyungdae-gu, Pyongyang, DPRK. Korea Ryonbong General
Corporation is the parent company of Korea International
Chemical Joint Venture Company.

7) KOREA KWANGSONG TRADING CORPORATION.
Rakwon-dong, Pothonggang District, Pyongyang, DPRK. Korea
Ryonbong General Corporation is the parent company of
Korea Kwangsong Trading Corporation.

8) KOREA PUGANG TRADING CORPORATION. Rakwon-dong,
Pothonggang District, Pyongyang, DPRK. Korea Ryonbong
General Corporation is the parent company of Korea Pugang
Trading Corporation.

9) KOREA RYONGWANG TRADING CORPORATION. a.k.a.
KOREA RYENGWANG TRADING CORPORATION Rakwon-dong,
Pothonggang District, Pyongyang, DPRK. Korea Ryonbong
General Corporation is the parent company of Korea
Ryongwang Trading Corporation.

10) KOREA RYONHA MACHINERY JOINT VENTURE
CORPORATION. a.k.a. CHOSUN YUNHA MACHINERY JOINT OPERATION
COMPANY; a.k.a. KOREA RYENHA MACHINERY J/V CORPORATION;
a.k.a. RYONHA MACHINERY JOINT VENTURE CORPORATION.
Central District, Pyongyang, DPRK; Mangungdae-gu,
Pyongyang, DPRK; Mangyongdae District, Pyongyang, DPRK.
Korea Ryonbong General Corporation is the parent company
of Korea Ryonha Machinery Joint Venture Corporation.

11) TOSONG TECHNOLOGY TRADING CORPORATION
Pyongyang, DPRK. Korea Mining Development Corporation
(KOMID) is the parent company of Tosong Technology Trading
Corporation.

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